



Investment Approach

Clime's investment approach seeks to deliver strong risk adjusted total returns to investors over the long term. Clime focuses on delivering consistent strong results by identifying undervalued companies and, via the macroeconomic overlay, enhancing return and managing risk. We strive to ensure that risks taken in the portfolio are appropriately compensated and employ a decision framework of:

- Capital deployed;
- At what risk;
- For what likely outcome.

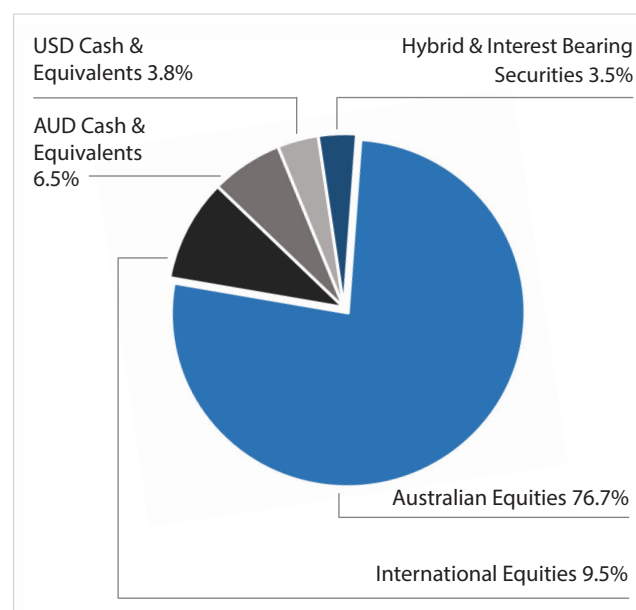
Top Holdings (Weightings %)

Australian Equities - Large Cap	
Australia & New Zealand Banking Group	5.40
National Australia Bank	4.37
Commonwealth Bank of Australia	4.29
QBE Insurance Group Limited	3.33
Australian Equities - Mid Cap	
Crown Resorts Limited	4.18
APN Outdoor Group	4.12
Henderson Group	3.96
Australian Equities - Small Cap	
Nick Scali	3.07
Citadel Group	2.50
Collins Food Limited	2.36
International Equities	
Baidu.com	1.18
Bank of America Corp	0.96
Oracle Corp	0.96
AUD Cash	6.54
USD Cash	3.79
Total	51.01

Net Tangible Assets (NTA)

	October	September	August
NTA before tax	\$0.88 ^{1,2,3}	\$0.92 ^{1,2}	\$0.92 ^{1,2}
NTA after tax	\$0.88	\$0.92	\$0.93
CAM Share Price	\$0.83	\$0.80	\$0.80
Yield Excl. Franking	5.8%	6.0%	6.0%

Asset Allocation



Company Overview (\$m)

Australian Securities	\$63.10
International Securities	\$7.48
AUD Cash & Equivalents	\$5.15
USD Cash & Equivalents	\$2.99
Total Portfolio including cash	\$78.72

¹ Fully diluted NTA per share incorporates the fully paid ordinary shares converting preference shares on issue and bonus entitlements due to be paid on conversion of the preference shares. Converting Preference shareholders will accrue the bonus issue and upon conversion will receive 1.387 Ordinary Shares for every Converting Preference Share. Converting Preference shareholders will mandatorily convert into ordinary shares in April 2017.

² On 23th August 2016, the Board declared a fully franked dividend of 4.5 cents per share in respect of the Company's converting preference shares and a fully franked ordinary dividend of 1.20 cents per share for ordinary shareholders for the quarter ending 30 September 2016. These dividends were paid on 20th and 21st October 2016. NTA before and after tax disclosed above for August and September were before the effect of this dividend payment and for October is after the effect of this dividend payment.

³ In accordance with the on-market buy-back scheme, the company bought back 64,296 Ordinary shares at an average price of \$0.80 during the month.

Ordinary Shares Overview (ASX:CAM)

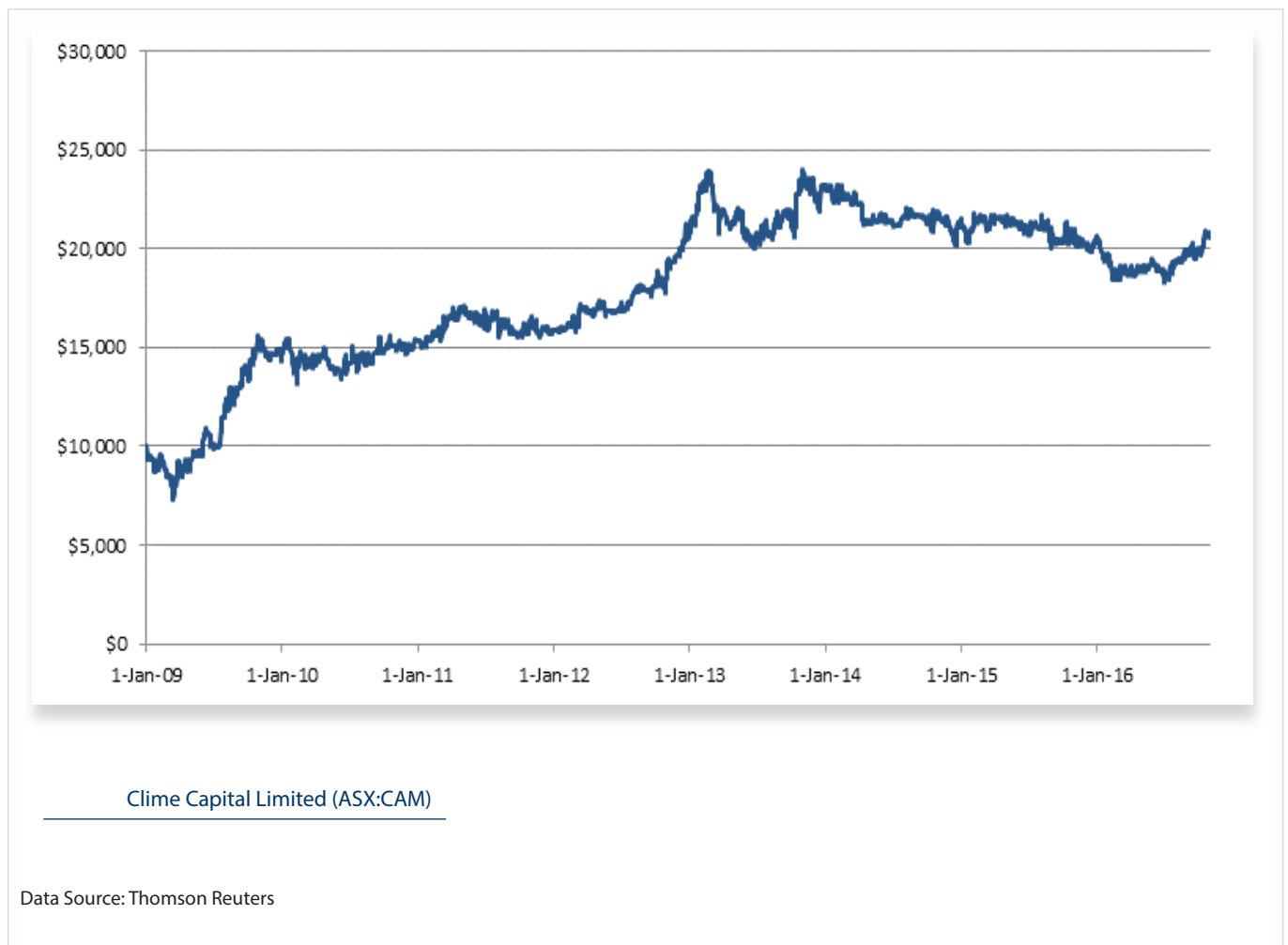
Share Price (at month end)	\$0.83
Rolling 12 Month Dividend	4.8cps
Historical Dividend Yield	5.8%
Percentage Franked	100%
Grossed Up Yield	8.3%
Dividend Reinvestment Plan	Yes

Preference Shares Overview (ASX:CAMPA)**

Share Price (at month end)	\$1.21
Rolling 12 Month Dividend	18.0cps
Historical Dividend Yield	14.8%
Percentage Franked	100%
Grossed Up Yield	21.2%
Dividend Reinvestment Plan	No

** CAMPA will mandatorily convert into ordinary shares in April 2017.

Total Shareholder Returns, January 2009 to October 2016: \$10,000



Summary

Within the portfolio, capital allocation decisions are made across a number of asset classes. These are Australian Equities, International Equities, Hybrids and Interest Bearing Securities and both AUD and USD Cash and Equivalents. The Australian Equity asset class exposure encompasses three sub-portfolios: Large Cap, Mid Cap and Small Cap.

The Clime Capital (CAM) portfolio delivered a return of -2.4% for the month, largely in line with a receding domestic market. On a financial year to date basis, the Clime Capital portfolio has delivered a solid return of 4.3%.

The following changes were made to the portfolio for the month of October:

- Australian Equity Large Cap Sub-Portfolio: Added to existing positions in SEK, decreased the weighting of CTX.
- Australian Equity Mid Cap Sub-Portfolio: Added to existing positions in HGG and CWN and exited the position in CCP.
- Australian Equity Small Cap Sub-Portfolio: Added to existing position in CKF, introduced a new position in RCG.
- International Equity Sub-Portfolio: Added to existing YUM and CTRP positions, decreased the weighting of CTSH, WFC and ORCL positions, introduced new positions in MDT and MCD.

We segment the Company into four sub-portfolios with each respective portfolio purposefully designed to deliver stated investment objectives. Key contributors and detractors to the CAM return for the month were:

- Australian Equity Large Cap Sub-Portfolio: Positive contributors QBE (7.5%), CBA (1.4%), detractors CTX (-10.3%) and SEK (-5.9%).
- Australian Equity Mid Cap Sub-Portfolio: Positive contributors GTY (8.4%), CCP (1.0%) detractors AAD (-27.1%), OFX (-18.4%), CWN (-16.9%).
- Australian Equity Small Cap Sub-Portfolio: Positive contributors CKF (6.2%), SDA (2.3%), detractors RCG (-11.0%), FLK (-6.6%), APD (-2.3%).
- International Equity Sub-Portfolio: Positive contributors CTSH (8.2%), BAC (6.0%), detractors CHL (-6.1%), CTRP (-4.7%).

Clime Capital started the month with cash and income securities equating to approximately 20% of the portfolio. Given the growing level of uncertainty over the month, a portion of this liquidity was selectively deployed into attractive equity opportunities during October.

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